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GOLD IN ACTUAL CIRCULATION.

The following letter from the Secretary of the Treasury, under date of April 18, 1898, relates to the amount of gold in actual circulation, method of computation, and the amount of United States paper money which will never be presented for redemption:—

Sir:—I have the honor to acknowledge receipt of Senate resolution dated the 5th instant, as follows:—

RESOLVED, That the Secretary of the Treasury be directed to inform the Senate how he ascertains the amount of gold in actual circulation, after deducting the reserves in the Treasury and in the banks, and if he has any actual statistics upon which to base his statement; and also to inform the Senate whether he makes any allowance for the wear and loss of the paper circulation of the Government in his Treasury statement, or does he assume that there is no diminution of the amount of paper money in circulation by reason of wear and loss.

In reply the Senate is respectfully informed that the starting point of the estimate of the stock of gold in the United States is the calculation made of the stock June 30, 1872, by Dr. Henry R. Linderman, then Director of the Mint. At that period there was no gold in active circulation in the United States (except on the Pacific coast), and the estimate comprised only the metallic stock in the Treasury and national banks, with an estimate of \$20,000,000 as a minimum in use on the Pacific coast, and an allowance of \$10,000,000 for that in State and private banks and private hoards. Dr. Linderman's aggregate was \$128,389,864.49. The estimates from year to year since 1873 have been arrived at by adding to the stock of coin at that date the annual coinage and amount of domestic coin imported, deducting the loss by recoinage of United States coin, the amount exported, and estimated as used in the industrial arts.

The amount exported and imported is obtained from the custom-house officials at the ports of entry, except what may be taken out or brought in by individuals in their private possession. That would be small, and the outgo and income are assumed to offset each other, as parties going abroad or returning usually convert their pocket change at the point of departure or on arrival.

The estimate of the amount used in the industrial arts is based upon several censuses made by the Bureau of the Mint and upon

annual reports received from private smelters and refiners. Manufacturing jewelers, doing any considerable business, prefer to buy refined bars rather than use coin, because by so doing they get full weight while by using coin they lose by whatever amount the coin is abraded. The coin melted down by refiners is usually mutilated or under weight, and bought by them at its bullion value. The amount of coin melted down by small manufacturers is estimated from the returns obtained by circulars sent to all the jewelers in the United States whose names appear in directories.

It is not believed that any officer of the Government has assumed that there is no diminution of the amount of paper money in circulation by reason of wear and loss, but the official reports published by the Department from time to time contain no allowance for such loss because there is no authority of law for making any reduction, on that account, of the stated liabilities of the United States. The subject has been considered from time to time and estimates have been made of the probable loss, the latest of which, recently made by the actuary of the Department, is as follows:—

ESTIMATE OF THE AMOUNT OF UNITED STATES PAPER MONEY THAT WILL NEVER
BE PRESENTED FOR REDEMPTION.

Kind.	Total Issued, Including Reissues.	Amount Outstanding.	Estimated Loss.
United States notes.....	\$2,854,525,808	\$346,681,016	\$5,488,900
Treasury notes of 1890.....	371,073,000	114,867,280	55,770
Gold certificates.....	1,506,039,300	38,782,169	207,600
Silver certificates.....	1,426,790,000	375,479,504	711,800
Currency certificates.....	1,380,250,000	62,340,000
Summary of United States issues...	7,538,678,108	938,149,969	6,464,000
National bank notes.....	2,064,079,225	230,016,225	6,581,300
Total.....	9,602,757,333	1,168,166,194	13,045,300

Respectfully yours,

L. J. GAGE, *Secretary.*

THE PRESIDENT OF THE SENATE.